

# *U.S. Senate Committee on Finance*

For Immediate Release

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## **Grassley, Baucus Comment on GAO Report Evaluating IRS Productivity Measures**

**(WASHINGTON, D.C.)** Today, the Government Accountability Office (GAO) released a report evaluating the effectiveness of methods used by the Internal Revenue Service (IRS) to measure productivity. A GAO study found that current IRS measurement practices fall short because they do not take into account all the factors that contribute to the effective delivery of services, making it difficult to tell if they are doing a good job or not. The report recommends that the IRS adopt alternative methods to measure productivity that would give the IRS better information to plan the use of existing resources, improve efficiency and identify budget needs.

Senator Chuck Grassley, chairman of the Senate Finance Committee, and Senator Max Baucus, ranking member, requested the study. After the report was released, Senator Grassley and Senator Baucus the following comments:

### Senator Grassley Quote:

“IRS management must do a better job of ensuring that employees are working efficiently and effectively in providing taxpayer service as well as enforcing the law. The GAO report highlights that much progress can be made in ensuring that the IRS is hitting all cylinders.”

### Senator Baucus Quote:

“The IRS has a big job to do with limited resources and must employ reliable techniques to measure its productivity. Just as a carpenter needs an accurate tape measure to build a house, or a surgeon needs precise instruments to perform an operation, the IRS needs to use the right combination of simple and complex measurement tools to ensure it is making the best use of taxpayer money. With a tax gap of \$350 billion per year, the IRS must use its resources wisely.

“I urge the IRS to make the necessary changes recommended by the GAO so it can measure its productivity accurately and maximize its resources to provide top quality taxpayer service and fairly administer the tax system. The IRS cannot continue on its present course of operating in the dark. Setting benchmarks and accurately measuring progress will ensure greater accountability.”

The full text of the report, “Tax Administration: IRS Can Improve Its Productivity Measures by Using Alternative Methods”, GAO-05-671, can be found on the GAO website at <http://www.gao.gov/>.

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